

## Appendix B

### Analysis of Interim Unbundled Loop Rates

Loop 1994 Loop 2000 % decrease				Discount from current	New Price
<b>Joint Applicants' Analysis of Joint Applicant's Proposal</b>					
DLC Costs			12.0%	\$ 1.41	\$ 10.29
VGEs + Expenses			31.4%	\$ 3.67	\$ 8.03
<b>Total</b>	\$ 12.55	\$ 8.06	35.8%	\$ 4.19	\$ 7.51
<b>Pacific's analysis of Joint Applicant's Proposal</b>					
DLC Costs			8.3%	\$ 0.97	\$ 10.73
VGEs			14.3%	\$ 1.67	\$ 10.03
Expenses			15.8%	\$ 1.85	\$ 9.85
VGEs + Expenses			30.1%	\$ 3.52	\$ 8.18
<b>Total</b>			38.4%	\$ 4.49	\$ 7.21
<b>Staff's analysis of Joint Applicant's Proposal</b>					
Removing VGEs	\$ 13.44	\$ 10.03	25.4%	\$ 2.97	\$ 8.73 <sup>1</sup>
Removing Expenses	\$ 13.44	\$ 9.93	26.1%	\$ 3.06	\$ 8.64 <sup>2</sup>
<b>Removing VGEs + Expenses</b>	\$ 13.44	\$ 11.41	15.1%	\$ 1.77	\$ <b>9.93</b> <sup>3</sup>

<sup>1</sup> Line count reduction factors 1994: 24.2% 2000: 6.84%; Expense and DLC savings kept constant.

<sup>2</sup> Before removing VGEs (VGE and DLC savings kept constant).

<sup>3</sup> After removing VGEs and Expenses (DLC savings kept constant).